

Joint Appropriations Subcommittee on
Transportation

**Highway Base Budget
Overview**

March 7, 2017

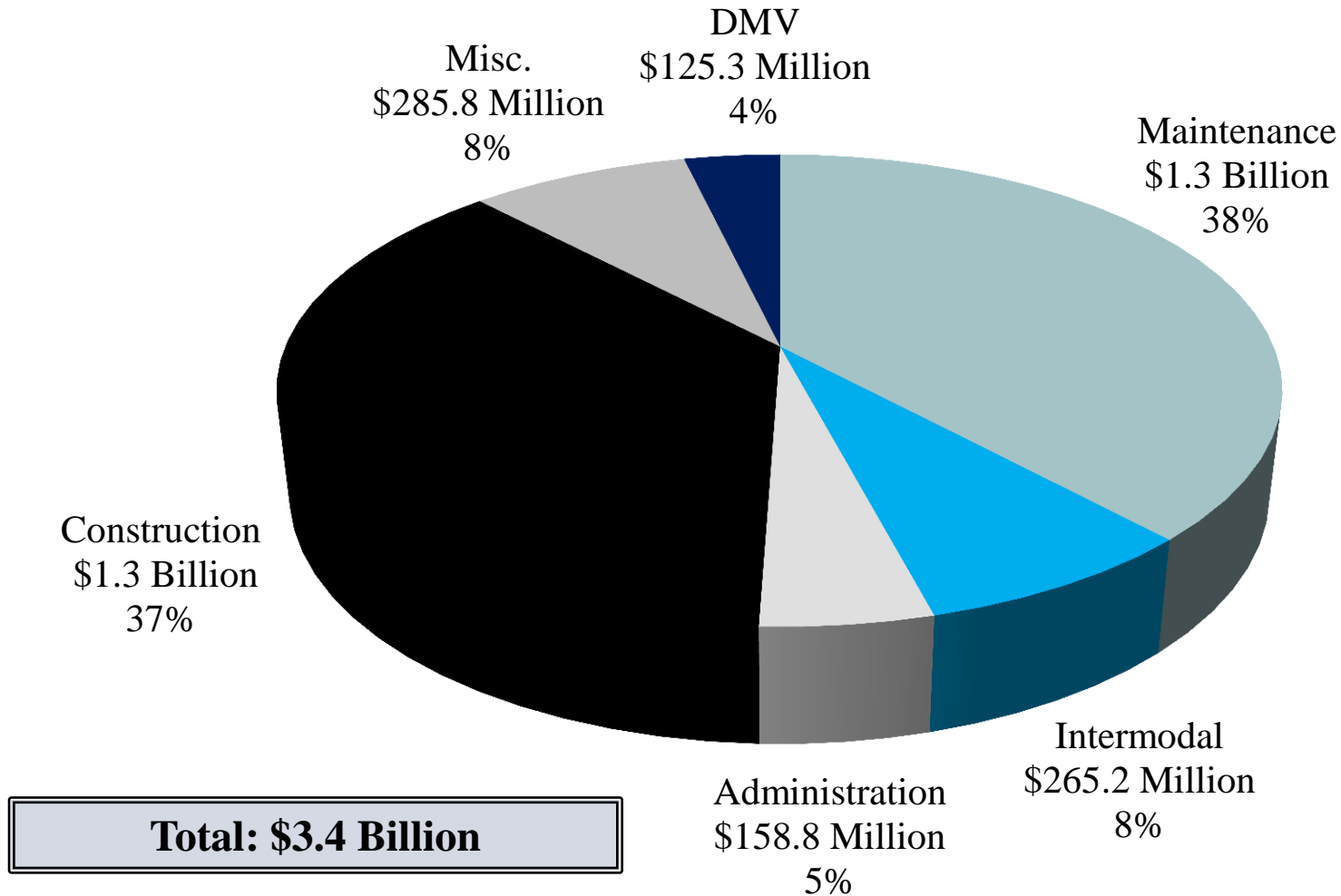


FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Outline

- Highway Budget Overview
- Project Based Accounting
- Base Budget Review
- Mechanisms Developed by NCGA to Oversee Spending

HF/HTF Appropriations FY 2016-17



Accounting Process

Management

- Charged to Administration Fund Codes

Field Employee

- Charged to Projects

Material Costs

- Charged to Projects

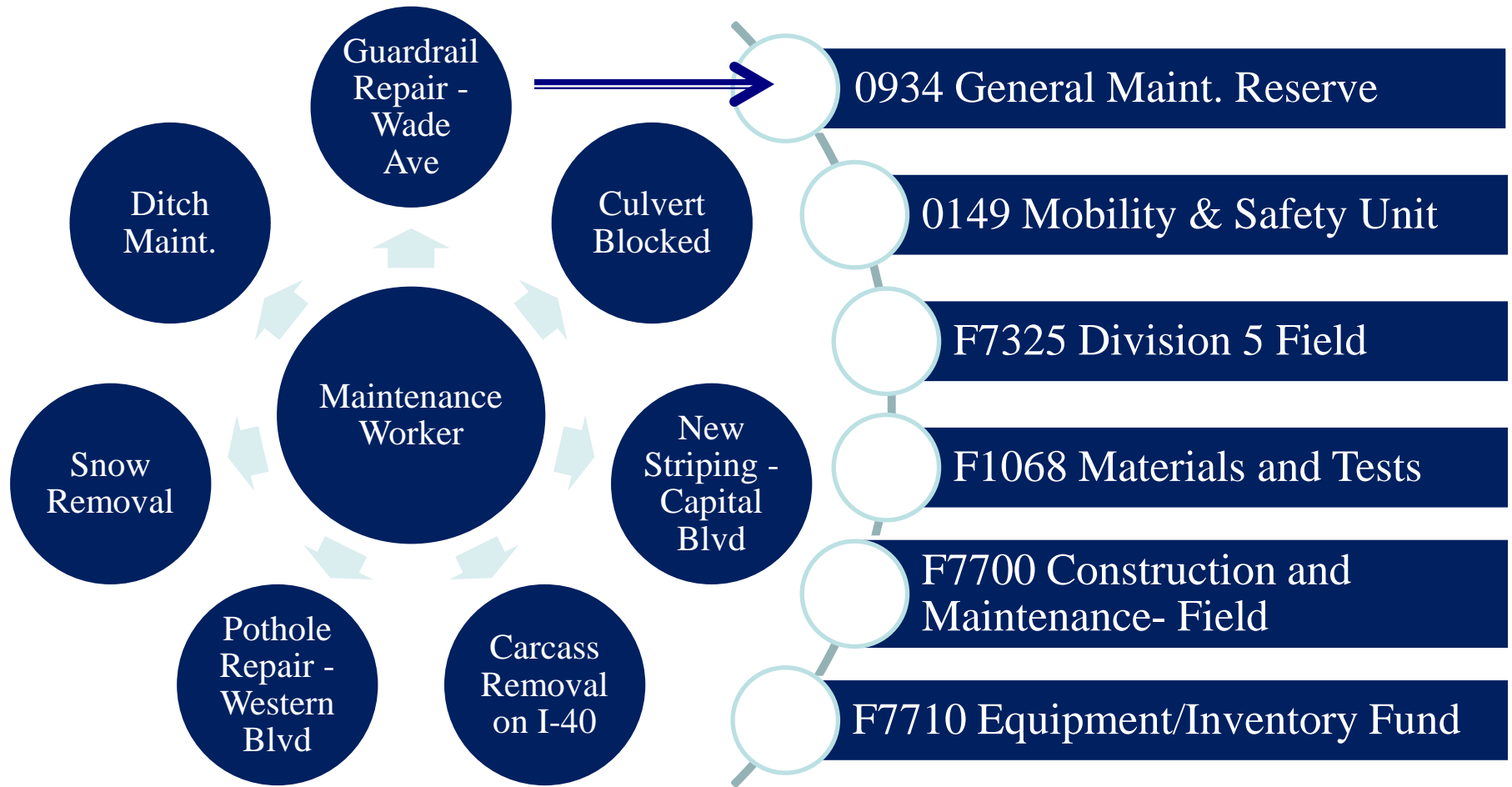
Industry Costs

- Charged to Projects

ROW Costs

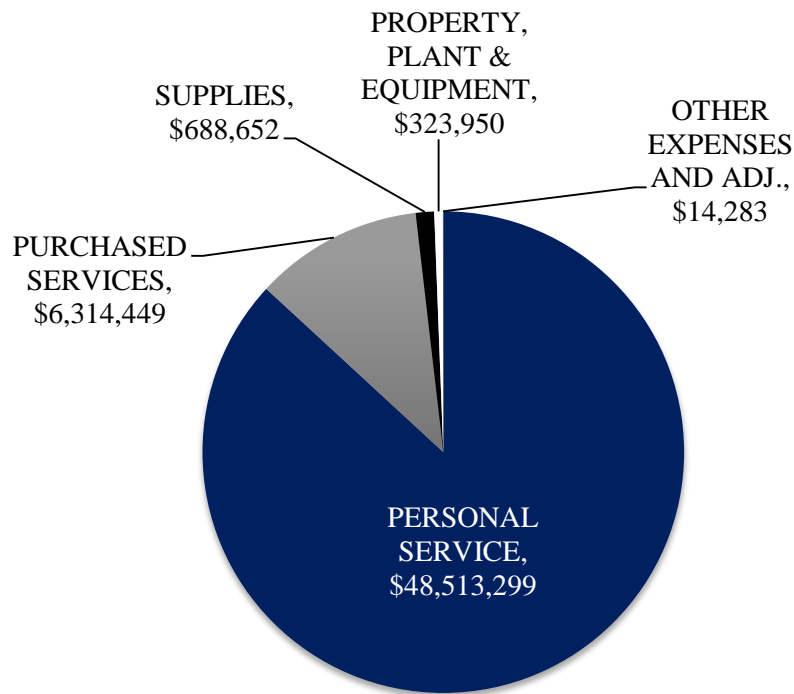
- Charged to Projects

Accounting Process



Highway Administration Budget

Total: \$41 Million



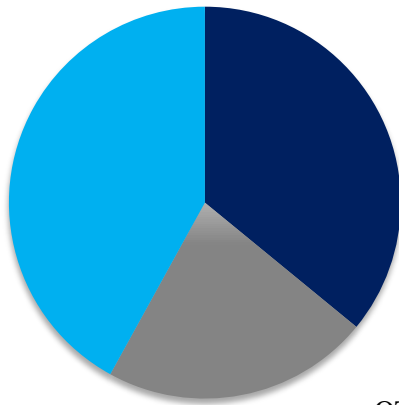
Expenditure of Funds

- 54 Fund Codes
- Management Personnel and Associated Costs
 - Highway Division Engineers and key staff
 - ROW lead staff
 - Raleigh central staff
- 581 Positions
- Roughly 10% of highway staff

Maintenance Base Budgets

Total: \$1.3 Billion

INTRA-
GOVERNME
NTAL
TRANSFERS
42%



RESERVES
36%

OTHER
EXPENSES
AND
ADJUST-
MENTS
22%

Expenditure of Funds

Fund Codes

- No Employees in Funds
- 0934 - Reserve for General Maintenance
 - \$463 Million
- 7824 - Contract Resurfacing
 - \$498 Million
- 7841 - Pavement Preservation
 - \$85 Million
- 7839 - Bridge Program
 - \$243 Million

Pavement Preservation Report

- 2014 Budget
 - What does it cost to perform preservation activities?
 - Directive to increase outsourcing
- Findings
 - DOT data was very inaccurate
- Action Item: Send report to Appropriations

Pavement Preservation Report

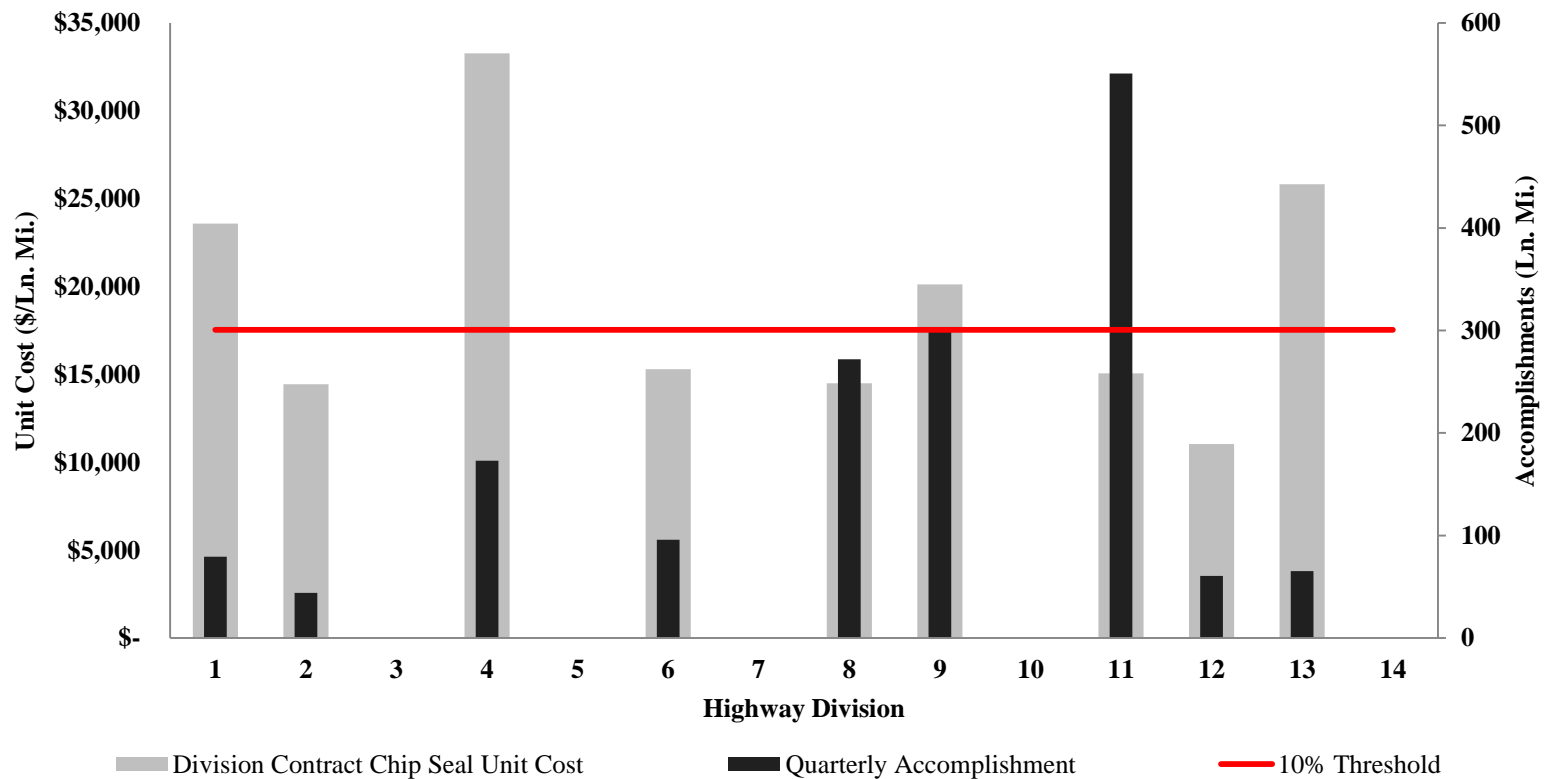
Statewide Treatment Costs, Fiscal Year 2015-2016				
Treatment Type	Treated Lane Miles	Average Cost Per Lane Mile	Average Cost Per Lane Mile Performed by NCDOT	Average Cost Per Lane Mile Performed by Contract
Chip Seals	4,335.57	\$ 13,029.63	\$ 10,160.50	\$ 15,041.48
Crack Seal	1,921.22	\$ 3,726.85	\$ 5,165.08	\$ 2,522.03
Slurry Seal	9.60	\$ 18,018.87	\$ -	\$ 18,018.87
Fog Seal	16.96	\$ 12,922.26	\$ -	\$ 12,922.26
Sand Seal	0.32	\$ 28,012.53	\$ -	\$ 28,012.53
Scrub Seal	-	\$ -	\$ -	\$ -
Cape Seal	48.64	\$ 29,599.40	\$ -	\$ 29,599.40
Microsurfacing	20.37	\$ 20,869.60	\$ -	\$ 20,869.60
Profile Milling	-	\$ -	\$ -	\$ -
Asphalt rejuvenators	-	\$ -	\$ -	\$ -
Open Graded Asphalt Friction Course	-	\$ -	\$ -	\$ -
Overlay Less Than 1,000 ft in Length	-	\$ -	\$ -	\$ -
Diamond Grinding	-	\$ -	\$ -	\$ -
Joint Sealing	-	\$ -	\$ -	\$ -
Dowel Bar Retrofit	-	\$ -	\$ -	\$ -
Partial/Full-Depth repairs and reclamations	147.69	\$ 16,946.49	\$ 3,161.42	\$ 43,174.41
Ultra-Thin Whitetopping	-	\$ -	\$ -	\$ -
Thin Lift and Sand Asphalt Overlays	126.11	\$ 21,248.49	\$ 52,927.41	\$ 20,492.31
TOTALS:	6,626.47	\$ 10,729.56	\$ 8,377.13	\$ 12,411.48

DOT RREPORT (Efficiency)

- 2015 Budget: Requires DOT to set baseline per unit costs by Highway Division
- Requires explanation when 10% over baseline
- Report Quarterly
- Ex. Commodities/sealants/litter/markers
- Action Item: Send report to Appropriations Committees

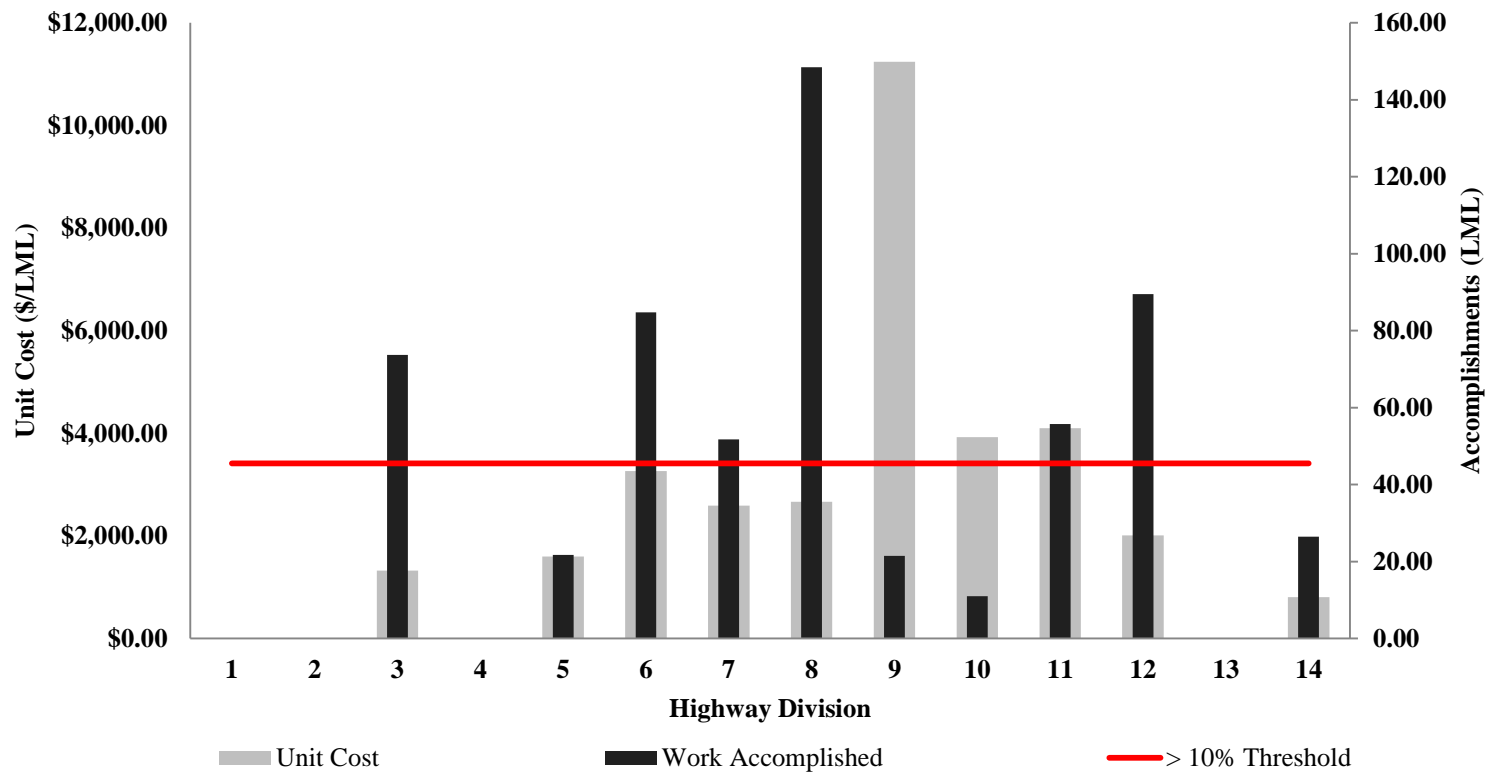
DOT REPORT (Efficiency)

Figure 4: FY 2017 Q2 Unit Costs for Contract Chip Seals



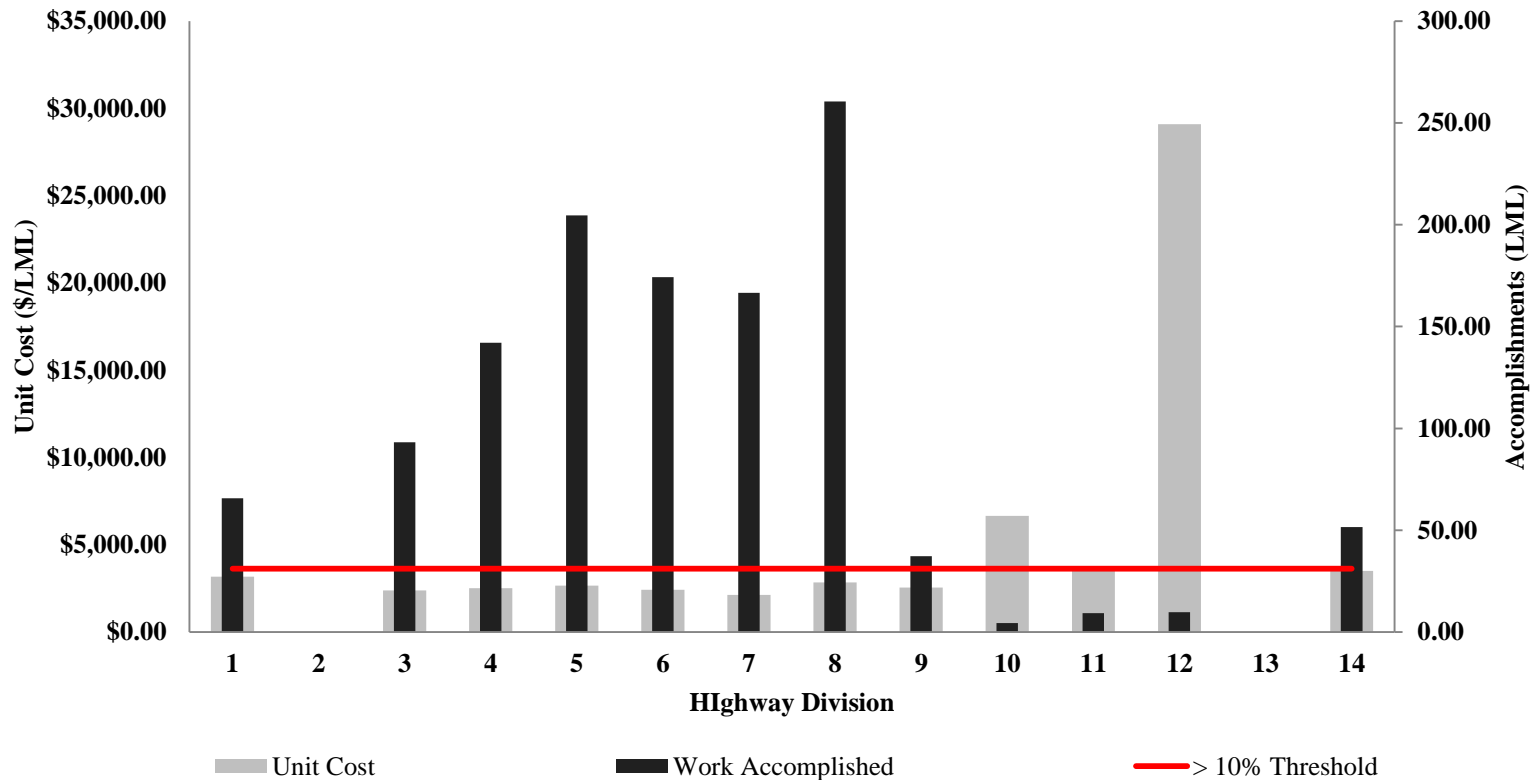
DOT REPORT (Efficiency)

Figure 6: FY 2017 Q2 Unit Costs for Crack Sealing – Primary System



DOT REPORT (Efficiency)

Figure 7: FY 2017 Q2 Unit Costs for Crack Sealing – Secondary System



DOT REPORT (Efficiency)

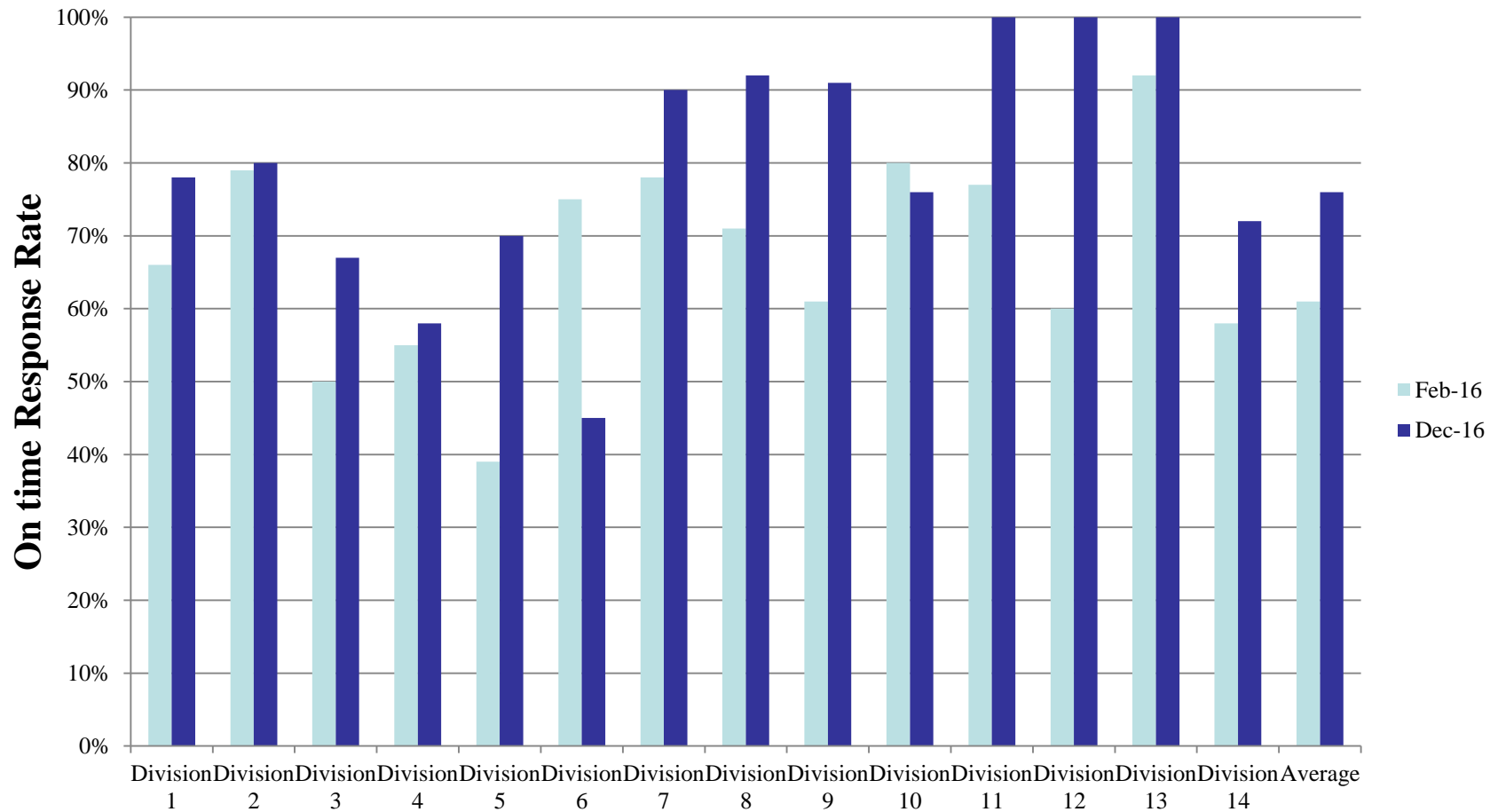
Maintenance Work Functions - Division 7

Div	System	Func Area	Activity Name	UOM	Work Amount	Total Cost	Unit Cost	SW BUC	STATUS
7	Primary	2817	Mechanical Asphalt Patching	TON	1,076.72	\$185,117.20	171.93	\$250.32	
7	Secondary	2817	Mechanical Asphalt Patching	TON	14,989.05	\$2,078,270.88	\$138.65	\$222.53	
7	Primary	2900	Grass Mowing	SHM	3,700.09	\$509,805.44	137.78	\$63.34	Over 10%
7	Secondary	2900	Grass Mowing	SHM	30,474.34	\$1,481,758.75	48.62	\$39.41	Over 10%
7	Primary	2912	Mechanical Brush And Tree	SHM	919.27	\$194,468.45	211.55	\$698.81	
7	Secondary	2912	Mechanical Brush And Tree	SHM	3,982.81	\$949,552.40	\$238.41	\$684.19	
7	Primary	3104	Litter Removal	SHM	698.10	\$54,355.64	\$77.86	\$279.65	
7	Secondary	3104	Litter Removal	SHM	1,476.69	\$168,079.61	\$113.82	\$334.91	
7	Primary	3108	Drainage Ditch Maintenance	SHM	0.30	\$4,180.41	\$13,934.70	\$12,934.22	
7	Secondary	3108	Drainage Ditch Maintenance	SHM	0.20	\$4,185.51	\$20,927.55	\$10,153.76	Over 10%
7	Primary	3112	Shoulder Maint/ Reconstruct	SHM	6.57	\$15,380.61	\$2,341.04	\$5,672.95	
7	Secondary	3112	Shoulder Maint/ Reconstruct	SHM	238.49	\$141,961.39	\$595.25	\$4,114.58	
7	Primary	3126	Install Pipes (48" or Less)	LF	161.00	\$48,384.31	\$300.52	\$194.92	Over 10%
7	Secondary	3126	Install Pipes (48" or Less)	LF	3,662.35	\$673,788.22	183.98	\$155.14	Over 10%
7	Primary	3222	LongLine Paint Pvmt Marking	LF	29,909.20	\$5,369.43	\$0.18	\$0.16	Over 10%
7	Secondary	3222	LongLine Paint Pvmt Marking	LF	5,642,601.70	\$372,586.10	\$0.07	\$0.07	
7	Primary	3232	Install/Replace Pvmt Markers	EA	0.00	\$3,649.53	null	\$20.37	
7	Secondary	3232	Install/Replace Pvmt Markers	EA	0.00	\$4.50	null	\$15.79	
7	Primary	3300	Install Non-NBIS >48"	LF	60.00	\$94,214.99	\$1,570.25	\$1,084.13	Over 10%
7	Secondary	3300	Install Non-NBIS >48"	LF	424.42	\$624,275.90	\$1,470.89	\$1,781.52	

DOT **R**EPORT (Responsiveness)

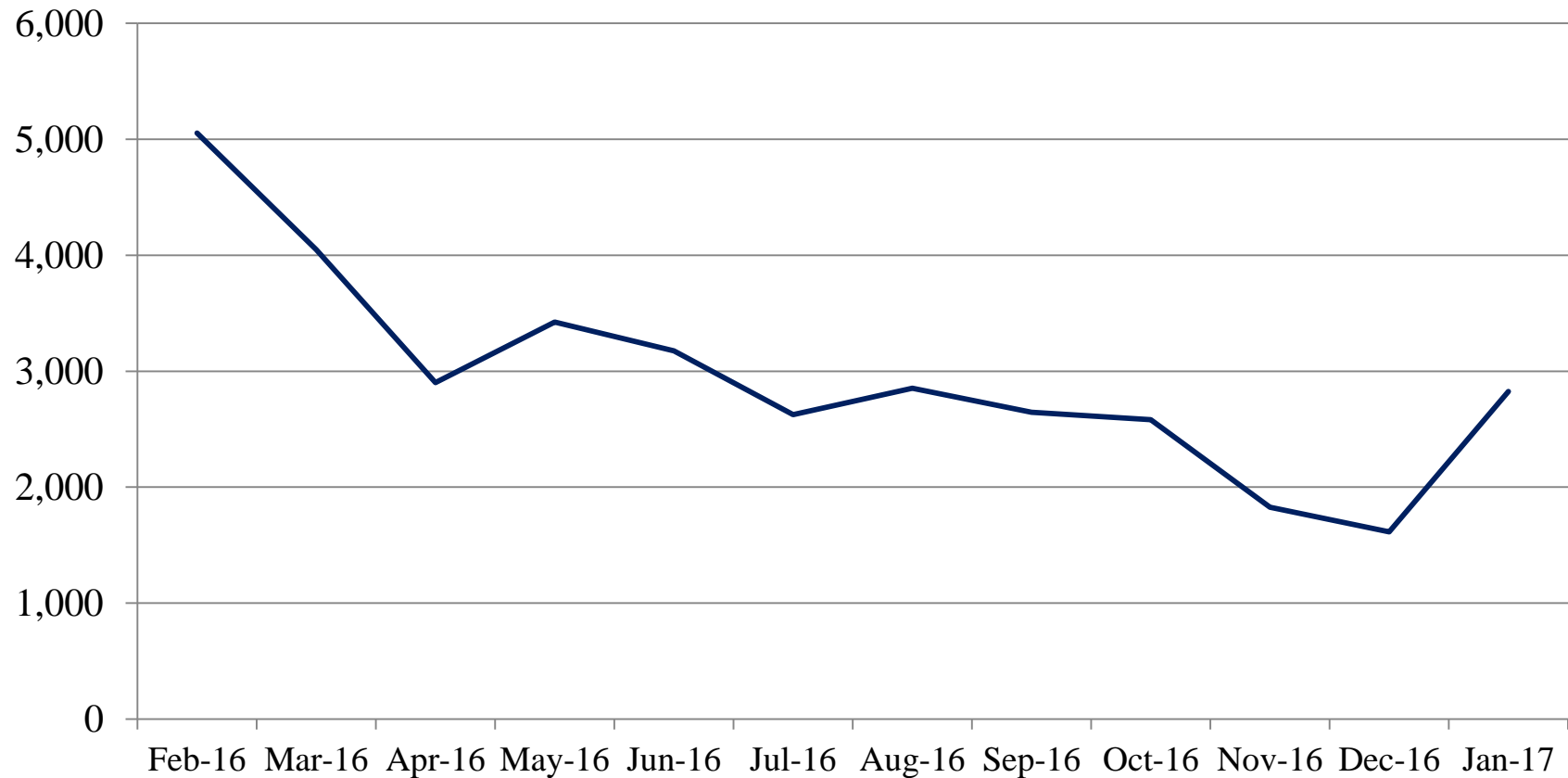
- DOT Action Requests – Monthly Report
 - Drainage
 - Guardrail Damage
 - Pothole
 - Shoulder Repair
 - Signal Malfunction
 - Signing
- Action Item: Send report to Appropriations
- Increase Marketing

DOT **R**EPORT (Responsiveness)



DOT **R**EPORT (Responsiveness)

Number of Incidents Reported



Questions?



Amna Cameron, Fiscal Research

919-733-4910